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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Enhanced Oil Recovery Credit

► Attach to your tax return.

OMB No. 1545-1282

2003Attachment
Sequence No. **78**

Name(s) shown on return

Identifying number

Part I Current Year Credit

1	Qualified enhanced oil recovery costs (see instructions)	1		
2	Multiply line 1 by 15% (.15)	2		
3	Enhanced oil recovery credits from pass-through entities:			
	If you are a—	Then enter the total of the current year credits from—		
	a Shareholder	Schedule K-1 (Form 1120S), lines 12d, 12e, or 13		
	b Partner	Schedule K-1 (Form 1065), lines 12c, 12d, or 13	3	
4	Current year credit. Add lines 2 and 3	4		

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

5	Regular tax before credits:			
	• Individuals. Enter the amount from Form 1040, line 41			
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the amount from the applicable line of your return		5	
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return			
6	Alternative minimum tax:			
	• Individuals. Enter the amount from Form 6251, line 35			
	• Corporations. Enter the amount from Form 4626, line 14		6	
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56			
7	Add lines 5 and 6		7	
8a	Foreign tax credit	8a		
b	Credit for child and dependent care expenses (Form 2441, line 11)	8b		
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	8c		
d	Education credits (Form 8863, line 18)	8d		
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	8e		
f	Child tax credit (Form 1040, line 49)	8f		
g	Mortgage interest credit (Form 8396, line 11)	8g		
h	Adoption credit (Form 8839, line 18)	8h		
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	8i		
j	Possessions tax credit (Form 5735, line 17 or 27)	8j		
k	Credit for fuel from a nonconventional source	8k		
l	Qualified electric vehicle credit (Form 8834, line 20)	8l		
m	Add lines 8a through 8l	8m		
9	Net income tax. Subtract line 8m from line 7. If zero, skip lines 10 through 13 and enter -0- on line 14	9		
10	Net regular tax. Subtract line 8m from line 5. If zero or less, enter -0-	10		
11	Enter 25% (.25) of the excess, if any, of line 10 over \$25,000 (see instructions)	11		
12	Tentative minimum tax (see instructions):			
	• Individuals. Enter the amount from Form 6251, line 33			
	• Corporations. Enter the amount from Form 4626, line 12			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54			
		12		
13	Enter the greater of line 11 or line 12	13		
14	Subtract line 13 from line 9. If zero or less, enter -0-	14		
15	Credit allowed for the current year. Enter the smaller of line 4 or line 14 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 14 is smaller than line 4, see instructions	15		

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8830 to claim the enhanced oil recovery credit.

An owner of an operating mineral interest may claim or elect not to claim this credit any time within 3 years from the due date (excluding extensions) of its return on either its original or an amended return. This credit is part of the general business credit.

Amount of Credit

The credit generally is 15% of qualified costs for the year, but is reduced when the reference price per barrel exceeds the base value of \$28 (as adjusted by inflation). For 2003, there is no reduction of the credit.